

March 15, 2019

**VIA PORTAL**

Commodity Futures Trading Commission  
Attention: Christopher Kirkpatrick, Secretary  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: CFTC Regulation 40.6(a) Certification: Submission of Amendments to the Nodal Exchange Rulebook**

Dear Mr. Kirkpatrick:

Nodal Exchange, LLC (“Nodal Exchange” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to the Nodal Exchange Rulebook (“Rules”) pursuant to Commission Regulation 40.6(a). The Exchange is amending Section I *Definitions*, portions of Section IV *Market Operations* and Appendix C *Reporting Levels, Position Accountability Levels and Position Limits*, which are attached hereto and indicate the specific text in red that is being amended. The Exchange intends to implement the amended Rules in 10 business days on March 29, 2019.

The Rules are being revised to reflect the introduction of Nodal Contracts based on trucking freight futures, which will be offered on Nodal T7 and Nodal Block Trade. Accordingly, Rulebook Section I is being amended to define key terms associated with the introduction of Nodal Contracts based on trucking freight futures. Rulebook Section IV is being amended to address the market operations associated Nodal Contracts based on trucking freight futures. Rulebook Appendix C is being amended to add Nodal Contracts based on trucking freight futures.

Exchange management has assessed the amendments to the Rules, and their compliance with applicable provisions of the Act, including the Commissions Regulations and the Core Principles. Nodal Exchange has identified that the amendments may affect the following Core Principles as follows:

**Core Principle 2 - Compliance with the Rules:** The amendments to the Rules provide clarity and consistency with the Act for compliance with the Rules.

**Core Principle 4 - Prevention of Market Disruption:** All activity performed on Nodal and all trading in Nodal Contracts based on trucking freight futures will be subject to the Nodal

Exchange Rulebook Section VI, which prohibits disruptive trading behavior and manipulation, subject to monitoring and surveillance by the Exchange's Division of Market Administration and Surveillance.

Core Principle 7 – Availability of General Information: The amendments to the Rules provide clarity to Exchange Participants. The amended Rules are available to market authorities, Participants, Authorized Brokers and the public on the Exchange website.

Core Principle 11 - Financial Integrity of Transactions: The Exchange has entered into a clearing arrangement with Nodal Clear, a derivatives clearing organization subject to Part 39 of the Commission Regulations. Nodal Contracts based on trucking freight futures will be subject to the Exchange Rulebook provisions for submission to Nodal Clear for clearing as described in Section V.

Core Principle 12 - Protection of Markets and Market Participants: Section VI of the Nodal Exchange Rulebook protects the market and market participants from abusive, disruptive, fraudulent, noncompetitive and unfair conduct and trade practices. Trading Nodal Contracts based on trucking freight futures is subject to these rules that apply to all transactions in the Exchange's contracts.

Core Principle 13 - Disciplinary Procedures: Section VII of the Nodal Exchange Rulebook describes the disciplinary procedures of the Exchange that authorize the Exchange to discipline, suspend, or expel anyone on the Exchange that violates these rules.

Pursuant to Section 5c(c) of the Act and the Commission's Regulation 40.6, the Exchange certifies that amended Rules comply with the Act and the Commission's Regulations thereunder. There have not been any opposing views expressed regarding the amendments to the Rules.

Nodal Exchange certifies that this submission has been concurrently posted on the Nodal Exchange website at [www.nodalexchange.com](http://www.nodalexchange.com).

If you have any question or need additional information regarding this submission, please contact me at 703-962-9853 or [Markotic@nodalexchange.com](mailto:Markotic@nodalexchange.com).

Sincerely,  
/s/ Max Markotic  
Director of Compliance

Attachment:

Redline of Nodal Exchange Rulebook Section I  
Redline of Nodal Exchange Rulebook Section IV  
Redline of Nodal Exchange Rulebook Appendix C

19-007